

FINAL BILL REPORT

SSB 5110

C 203 L 91

SYNOPSIS AS ENACTED

Brief Description: Expanding real property tax exemptions for senior citizens and certain retired persons.

SPONSORS: Senate Committee on Ways & Means (originally sponsored by Senators Bluechel, Bauer, McDonald, McMullen, Cantu, Gaspard, Bailey, Craswell, Wojahn, Sutherland, Vognild, Rasmussen, Johnson, Conner, Snyder, A. Smith, Talmadge, L. Smith, Madsen, Stratton, Murray, Rinehart, Pelz, Oke, Erwin, McCaslin and Skratek).

SENATE COMMITTEE ON WAYS & MEANS

BACKGROUND:

Senior citizens at least 61 years of age and persons retired by reason of physical disability are authorized a partial property tax exemption on their principal residences and up to one acre of land on which they are situated if the combined disposable household incomes are \$18,000 or less according to the following table:

<u>Income</u>	<u>Exemption</u>
\$14,001 to \$18,000	All excess levies
\$12,001 to \$14,000	All excess levies Regular levy on greater of \$24,000 or 30% of valuation (\$40,000 valuation maximum)
\$12,000 or less	All excess levies Regular levy on greater of \$28,000 or 50% of valuation

Application is only required in the first year, but the claimant is required to inform the county assessor of any change in status.

Qualifying persons may defer any taxes and special assessments due on the residence on up to 80 percent of the equity value in the residence. The Department of Revenue reimburses local taxing districts the amount of their taxes and assessments deferred. The total amount of taxes so deferred constitute a lien on the property and are due, with interest at 8 percent per year, upon sale or condemnation of the property, when the claimant ceases to reside on the property, or upon death of the claimant.

Two percent of the real and personal property of a nonprofit home for the aging is exempt from property taxes for every 1 percent of the dwelling units that are occupied by eligible residents. Residents are eligible if they meet the upper income limit for eligibility under the senior citizen property tax exemption program. The upper income limit is currently \$18,000.

SUMMARY:

The income limits and exemption amounts under the senior citizen property tax exemption program are increased according to the following table:

<u>Income</u>	<u>Exemption</u>
\$18,001 to \$26,000	All excess levies
\$15,001 to \$18,000	All excess levies Regular levy on the greater of \$30,000 or 30% of valuation (\$50,000 maximum valuation)
\$15,000 or less	All excess levies Regular levy on greater of \$34,000 or 50% of valuation

The changes to the senior citizen income limits do not apply to the property tax exemption for homes for the aging. The income limit for residents of homes for the aging is changed to the income limit for regular property tax relief under the senior citizen property tax exemption program. The income limit for regular property tax relief under the senior citizen property tax exemption program is \$18,000.

County assessors are required to compile data in 1992 on the number of persons using the exemption and deferral programs, income levels, and residential valuations. Results are to be reported to the Department of Revenue by March 1, 1993.

VOTES ON FINAL PASSAGE:

Senate	45	0	
House	93	5	(House amended)
Senate	43	1	(Senate concurred)

EFFECTIVE: May 16, 1991